Sociological Analysis of Corporate Social Responsibility as a Catalyst for Rural Development in Asa LGA, Kwara State, Nigeria

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Abstract: Rural development is not a new phenomenon as it has been written about by many scholars due to the importance of these areas to the nation. It is believed by many that the development of societies is the sole responsibility of the government as it is saddled with the responsibility of taking care of the citizens' welfare. However, the government cannot do it alone as other stakeholders like companies that carry out businesses in rural areas have the responsibility of taking care of their environment. Corporate Social Responsibility is a phenomenon that needs to be given attention to for the betterment of the society and the company as well. It is for this reason that the study seeks to find out whether companies in rural Asa LGA of Kwara state carry out CSR and also to know whether CSR has led to rural development. This was done by using a purposive sampling technique to select 255 respondents from Asa LGA of Kwara state, Nigeria. The study found out that organizations do not carry out CSR adequately in the area of study. Also, it was discovered that if companies start to pay attention to CSR, rural areas will benefit in terms of development. The study finally concludes that there should be stringent laws on the implementation of CSR.

Keywords: Corporate Social Responsibility, Rural development, Organizations, Law

1. Introduction

Nigeria is a developing nation which has majority of its population reside in rural areas and these areas are characterized by many different downsides which range from lack of good roads, inadequate or lack of infrastructures, lack of quality education to lack of adequate water supply (Raji et al., 2017). Many of these rural communities expect the government to come to their aid all the time for everything they need. This is based largely on the notion that government is responsible for the welfare of its citizens. However, if development must be fully achieved, the government cannot do it alone especially in a country like Nigeria that is lacking many requirements for general development, there is the need for other stakeholders to come in and render their support. No other stakeholder can do this better than corporate organizations that carry out businesses in various areas.

Experiences have shown that organizations that give adequate attention to social responsibilities principles are better patronized and favored by the consumers. Social responsibility means a canon that claims that an entity, whether it is government, organization, corporate or individual has certain responsibilities to the society. CSR also refers to the persistent commitment by an organization to behave in an ethical manner and add to development of the economy and improving at the same time the quality and welfare of the workforce, their families as well as that of the community and larger society (Holme & Watts, 2010).

It must be recognized that the welfare and growth of a society should not be the government's responsibility alone rather; other stakeholders should also take up these responsibilities in order to attain the goal of development. The commercial sectors have a crucial role to play in making sure that private investments flow into these rural areas that have so far been left out of the process of development and also work towards the sustainable development of rural communities in general (KPMG & ASSOCHAM, 2008). As a result of pressing ecological matters and increasing globalization, the way in which the corporate world has been perceived along with the context which it operates within has been changed. In the light of this, corporate organizations now see themselves as part of the larger society and act in a socially responsible way which could be outside their economic and financial performance. Being responsible socially not only means pleasing legal obligations, it also means going out of the way of compliance, investment in extra human capital, the organization's environment as well as the relation and interaction with stakeholders (Commission of the European Communities, 2001).

The participation of private organizations in CSR is a pivotal element that could foster development in rural areas. The benefits which the firm will derive from CSR include the constant supply of products to the people (this could bring about better profitability); market recognition (the organization will be known in both the local and international markets); strength in supply chain (transportation of products to customers will be made easier); access to certain markets and improvement of their ability to manage risks (Archel, Husillos & Spence, 2011). Besides, companies with value chains that are indirectly related to rural areas (e.g. mobile telecommunication, financial services, chemicals, and manufacturing among others) might have the prospect of generating benefits with the help of rural development. The benefits to the rural communities could be in terms of education, medical healthcare facilities for the workforce, employment opportunities for the ruralites, infrastructural facilities among others where these people are given the opportunity to develop and become self-reliant. This is thus a win-win situation for both the organization and the rural communities (Utting, 2005).

2. Problem Statement

Development is an integral part of societies, thus any society not moving forward can be said to be a static one. All societies are dynamic in nature because every society strives to become developed at one point in time or the other. Rural development is therefore one out of the numerous developments that should happen to any developing nation like Nigeria. This is because majority of the country's population resides in rural communities. The challenges of ignorance, hunger, illiteracy, high mortality rate and ill health are mostly visible in rural areas. These problems that rural areas face are not just due to shortage of resources but also lack of planning and pattern of investment as well. Nigeria as a country has the potential of solving the various problems faced by the ruralites. However, government efforts

alone may not be sufficient to make available all basic needs or services to the people of rural communities (KPMG & ASSOCHAM, 2008).

Companies through their production and manufacturing process cause so many havocs in the environment which they operate. Chemicals and toxic wastes are released in water; gases are flared into the air which is very dangerous to the people's health. For instance, majority of the rural areas in Nigeria make use of water from streams and rivers but these streams are being polluted by organizations who release certain chemicals into the water through oil spillage and others. Land pollution is another effect that organizations have on the society through leakages from energy and fuel industries where the soil is damaged and farming is almost made impossible due to this problem.

It is recognized that some companies perform CSR in many areas which they carry on their businesses in the country as can be seen in many cases like the MTN program (who wants to be a millionaire), scholarships by Shell Nigeria, educational programs on television sponsored by different companies. However, many of these projects are performed in cities and they do not incorporate the rural populace neither do they provide for their needs. For instance, most scholarships which are given by companies through CSR are processed through online registration of eligible candidates but many ruralites do not have access to internet or even electricity to apply for the scholarship. In addition to this, some companies do not perform CSR because they are unaware of its long-term benefits and cannot directly link it to the organizational profit which is the main aim of carrying on business. The paper therefore seeks to understand how CSR can be used as a way of developing rural areas.

3. Objectives of the Study

- To know whether organizations in Asa local government, Kwara state, Nigeria perform CSR and
- To understand if CSR have positive impact on the development of Asa local government, Kwara state, Nigeria.

4. Literature Review

4.1 Rural Development

Rural development is not a new phenomenon and it has over the years gained attention of intellectuals especially in a developing country such as Nigeria. This is because a majority of the Nigerian population resides and make a living there (Raji et al., 2017). Rural development connotes a process of improving sustainably the quality of life of the rural populace. It involves the approach in which macro and micro economic, political, social, cultural and technological changes are engineered and implemented as a dynamic and organic whole for the betterment of the welfare of the rural people (Ifiokobong, 2016). According to Malcom (2003) rural development refers to the process of making the quality of life of the people living in rural areas better and improving their well-being.

4.2 Concept of Corporate Social Responsibility

CSR is defined by Rasche, Morton and Moon (2017) as a form of self-regulatory instrument used by businesses to monitor and ensure their compliance with laws, national or international norms and ethical standards. Attention has been given to corporate social responsibility by organizations and stakeholders

since the 1960s as regards what it is as well as its benefits. The focus of companies on not only the profits they make but also on the environment and society at large is what brought about CSR. Thus it refers to the principle of an organization to be responsible for how their behavior might affect their environment and society at large (Jobber & Ellis-Chadwick, 2012). CSR according to Indal (2016) shows the ethical obligation of the organization to its internal and external stakeholders. It can also be regarded as a means through which a company gives back to the society. It entails initiating solutions to environmental and societal challenges.

4.3 Benefits of Corporate Social Responsibility

According to Indal (2016) CSR benefits both the organization and the society at large through philanthropic contributions; employee volunteer programs; company's involvement in the employment and education programs of the community; among others.

Some of these benefits are explained below:

- **Philanthropic Contribution to the community**: This is a contribution that a company makes at its own discretion which goes beyond what the organization believe is right or is required of it. This contribution entails striving to benefit the society in which they carry on business. For instance, providing financial aids to the community, carrying out projects to improve the environment among others (Scilly, 2017).
- **Employee Volunteerism**: this is a practice that seeks to strengthen the retention and satisfaction of employees internally as well as strengthening the reputation of a company and its connections with external stakeholders which includes the rural communities. With volunteerism, the satisfaction level of an employee increases substantially and in turn increases the relations among employees (CSR Central, 2015).
- **Involvement in employment and educational programs of the community:** Here, the company helps the community by employing the people of that area, thereby contributing to development. Also, the organization could give back to the community in terms of providing educational facilities which could include teachers' training, provision of notebooks and textbooks, scholarships for students among others (Indal, 2016).

4.4 Challenges of CSR in Nigeria

- **Lack of clear CSR laws**: Since the inception of CSR in Nigeria, there seems to be insufficient laws that guide companies in carrying out social responsibilities maybe due to the developing nature of Nigeria. Many organizations in Nigeria engage in CSR but at their own discretion and majority of them do not incorporate rural areas in their CSR activities. However, there are inadequate clear laws compelling these organizations to perform CSR and where these laws exist, they are either not well spelt out or their implementation are not well monitored (Ijaiya, 2014).
- **Corruption of community leaders**: A situation where the leaders of the communities in which the CSR is to be carried out are corrupt, there will be problems in the implementation of CSR. In some cases, employment of the citizens in the area which should be based on merit could be

influenced by leaders of the community who insist on employment of certain people at the expense of those who merit it (Ananaba & Chukwuka, 2016).

- **Identification of CSR benefits to the Organization**: CSR programs many times do not benefit the organization directly. Many business find it difficult to directly link the investment in CSR to profit of the organization and as such they are not motivated enough to engage in it (Travis, 2017).
- **Insecurity**: One of the major factors influencing the location of business in a particular area is security. When this cannot be guaranteed anymore, it will have negative effect on the organization's profit and as such one cannot expect a company running at a loss to carry out CSR in the area which it carries on business. The insecurity issue in the country has made it very challenging for companies to carry out CSR because of the fear of not maximizing profits.

5. Theoretical Framework

5.1 Utilitarian Theory

This is one of the most influential and important theories of morality and ethics in the contemporary world. It is a theory proposed by Jeremy Bentham (1748-1832) and John Stuart Mill (1806-1873) in the mid-1800s (Emrys, 2017). Utilitarian theory states that something is good or moral if the greatest number of people derives the greatest amount of good from it. It is a theory which seeks to know whether a particular action is moral, immoral, good or bad thereby emphasizing on ethics and morality. It is a theory that bases the morality of an act on the highest number of people it gives pleasure or happiness to. This philosophy is used when making decisions that are economic, political or social for societal progress. When it comes to utilitarianism, utility exists only when an action contributes to the overall good (Emrys, 2017).

In summary, the utilitarian theory states that an action is good if it produces the greatest happiness for the highest number of people. This simply means that when a program is to be embarked upon by an individual, government or corporate organization, it should consider the impact of that program on the majority in the society.

5.2 Application of Theory to the Study

Relating this to the study, organizations embarking on social responsibilities should note that it has benefits for both the company and the environment or community in which they carry out their businesses. Embarking on CSR should be a routine action of the organization as it will benefit them in terms of better market base, larger market share, loyalty of employees among others as stated earlier in the literature review. It will also have positive impacts on their host communities in terms of development. When companies involve in CSR, rural communities will be better equipped in the quest for development as they will be provided with various amenities and infrastructures for development. Examples can be seen in companies donating boreholes, generating plants, scholarships among other things to the communities that accommodate them. On the one hand, it will go a long way in improving the lives of the ruralites as it could help reduce poverty through scholarships for students to further their education and improve health through better healthcare facilities. On the other hand, it will benefit the organization itself as the students who acquire education through their scholarship schemes could work

for them in the future constituting loyal employees. It could as well portray good image of the company in the outside world which could increase market share and ultimately profit (the main aim of any organization) thus resulting in a win-win situation for both the organization and the rural community. CSR should not be limited to cities alone; it should be spread to rural communities also in order to foster development in these areas.

5.3 Methodology

The study was carried out in rural Asa local government of Kwara state, Nigeria. The local government has its headquarters in Afon town. At the 2006 census, its population was estimated around 126,000 and an area of 1,286km^2. Asa local government has three (3) districts which include Afon, Onire and Owode (Federal Government of Nigeria, 2009). Majority of the people in the local government are Yorubas.

The method of research used in the study was the survey method of research. The sampling technique used was the purposive sampling technique where the matured and enlightened people who understand the concept of corporate social responsibility in rural Asa local government were selected as respondents for the study. In all, 255 respondents were finally chosen for the research.

6. Results

Table 1: Socio-Demographic characteristics of the respondents

Demographic characteristics	Frequency	Percentage (%)
Gender		
Male	158	61.9
Female	97	38.1
Age		
18-26	34	13.3
27-35	37	14.5
36-44	133	52.2
45 and above	51	20
Marital Status		
Single	47	18.4
Married	148	58
Widowed	37	14.5
Separated	23	9.1
Occupation		
Civil Servant	67	26.3
Farmer	39	15.3
Trader	64	25.1
Self-employed	85	33.3

Residence Duration		
1-4 years	54	21.2
5-9 years	76	29.8
10-14 years	79	31
15 years and above	46	18
Total	**255**	**100**

Source: Researcher's Fieldwork (2017)

6.2 Results and Discussion

6.2.1 Respondents' Demographic and Socio-Economic Characteristics

Table 1 shows the Socio-demographic features of the respondents. The gender distribution reveals that majority of the respondents are male constituting 61.9% (158) while the other 38.1% (97) are female. The respondents' age depicts that 13.3% (34) of them are between the age bracket of 18 and 26, 14.5% (37) are between 27 and 35 years of age, 52.2% (133) of them fall within the age bracket of 36 and 44 while the remaining 20% (51) are above 45 years of age. Many of the respondents representing 33.3% (85) were self-employed; 25.1% (64) were traders; 15.3% (39) were farmers; while 26.3% (67) were civil servants. A large proportion of the respondents constituting 58% (148) were married; 14.5% (37) of the respondents were widowed respondents who were still single represent 18.4% (47); while the remaining 9.1% (23) were not with their partners anymore. Finally, the length of residence of the respondents depicts that 21.2% (54) have stayed in the area for a period between 1 and 4 years, 29.8% (76) have lived there for 5 and 9 years period, 31% (79) have stayed for a duration between 10 and 14 years while the remaining 18% (46) have stayed longer than 15 years.

6.3 Test of Hypotheses

Hypothesis One

H_o – Companies in rural Asa Local government do not engage in Corporate Social Responsibility

H_1 - Companies in rural Asa Local government engage in Corporate Social Responsibility

Table 2: Cross Tabulation of Occupation and Companies in rural Asa local government rural development

Social Amenities	Companies in rural Asa local government contribute to rural development					Total
	Strongly agree	Agree	Undecided	Disagree	Strongly Disagree	
Healthcare facilities	6	11	5	19	26	67
Educational facilities	4	8	3	9	15	39
Road construction	7	8	3	16	30	64
Pipe-borne Water	4	9	1	29	42	85
Total	21	36	12	73	113	255

$X^2c = 11.373$, Df = 12, $X^2t = 21.026$, Significance level = 0.05

6. Discussion

It can be seen from the table above that the $X^2c = 11.373$ is less than $X^2t = 21.026$. This means that the null hypothesis which states that companies in rural Asa Local government do not engage in Corporate Social Responsibility is accepted while the alternative hypothesis is rejected. The implication of this is that companies do not perform their social responsibilities in rural Asa Local government, Kwara State perhaps because there are no regulations that ensure compliance.

Hypothesis Two

H_o – there is no significant relationship between CSR and rural development

H_1 - there is significant relationship between CSR and rural development

Table 3: Cross Tabulation of Length of residence and CSR can lead to emergence of good healthcare facilities in rural Asa Local government

Residence Duration	CSR has led to emergence of good healthcare facilities in rural Asa Local government			Total
	Yes	No	Maybe	
1-4 Years	29	17	8	54
5-9 Years	44	19	13	76
10-14 Years	59	15	5	79
15 Years and above	25	18	3	46
Total	157	69	29	255

$X^2c = 13.672$, Df = 6, $X^2t = 12.592$, Significance level = 0.05

7. Discussion

It can be seen from the table above that the $X^2c = 13.672$ is greater than $X^2t = 12.592$. This means that the null hypothesis which states that there is no significant relationship between CSR and rural development is rejected while the alternative hypothesis is accepted. The inference drawn from this is that if companies can perform their social responsibilities adequately, there will be better development in rural areas like rural Asa Local government.

8. Conclusion

It is concluded from the discussion so far that social responsibility is very germane in the development of rural communities as government cannot perform the function of development alone, there need to be support from other stakeholders like companies. In the analysis done with SPSS from the respondents' responses, it was discovered that companies do not perform their social responsibilities adequately in rural communities of rural Asa Local government of Kwara State thereby contributing to the underdeveloped nature of these communities. It was as well found out through the second hypothesis that if companies can embark on CSR, rural areas will benefit from thereby leading to development of these communities like those in the rural Asa Local government area of Kwara state.

9. Recommendations

Based on these findings, the following recommendations are made:
Firstly, the Nigerian government should make sure that stringent rules are made concerning CSR in the country and adequate provision should be made for these laws to be complied with. Secondly, companies should know that their activities affect their host communities one way or another. Therefore, they should try as much as possible to give back to these areas and it will in turn lead to good public image of the company as well as other benefits to the company like better output, larger market share, and increased profit among others. In the same vein, giving attention to CSR could ensure the safety of the organization's physical assets and employees as it is less likely for the host community to cause havoc to them. Furthermore, there is the need for community leaders to be diligent and honest in all their dealings as one of the major challenges of CSR is the corrupt practices of community leaders who divert the resources meant for development through CSR for their personal gain. Managements should not overlook the environment in which their organizations operate because the survival of the business depends principally on the image they portray to the public.

Finally, CSR programs in rural communities should be directed towards self-sustenance of the people in the community and consultation should be made as regards the felt-need of the rural community before embarking on it. With this, the rural community/area will appreciate the CSR better and development can emerge from there.

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